

Message Text

UNCLASSIFIED

PAGE 01 LONDON 08419 01 OF 02 261838Z
ACTION EB-08

INFO OCT-01 ARA-14 EUR-12 EA-12 ISO-00 AF-10 NEA-11
IO-14 DODE-00 COME-00 INT-05 GSA-02 H-02 AID-05
CIAE-00 FRB-01 INR-10 NSAE-00 ICA-20 TRSE-00
XMB-04 OPIC-06 SP-02 LAB-04 SIL-01 OMB-01 /145 W
-----128253 261919Z /75

R 261725Z MAY 78
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 6572
INFO AMEMBASSY CANBERRA
AMEMBASSY BANGKOK
AMEMBASSY LA PAZ
AMEMBASSY KUALA LUMPUR
AMEMBASSY JAKARTA

UNCLAS SECTION 01 OF 02 LONDON 08419

E.O. 11652: N/A
TAGS: EMIN, ETRD, ITC
SUBJECT: TIN -- COMMITTEE ON DEVELOPMENT, MAY 24, L978

REF: (A) STATE 130039; (B) LENAHAH/PILKAUSKAS TELCON;
(C) LONDON A-138

1. SUMMARY. INTERNATIONAL TIN COUNCIL (ITC) COMMITTEE ON DEVELOPMENT (COD) MET MAY 24. THE PRINCIPAL ITEMS COVERED WERE THE FORTHCOMING ITC STUDY ON CONSUMPTION, THE STUDY ON RE-CYCLING AND THE SECONDARY USES OF TIN, THE STUDY ON PRODUCTION AND INVESTMENT, PARTICULARLY THE MODEL STUDIES CARRIED OUT BY SOME PRODUCERS, AND THE FUTURE GSA DISPOSAL PROGRAM. END SUMMARY.

2. CONSUMPTION STUDY. THE BOLIVIAN DELEGATE NOTED HIS GOVERNMENT IS PREPARING PROPOSALS FOR THE CONSUMPTION STUDY WHICH WILL BE PRESENTED AT THE ECONOMIC AND PRICE REVIEW PANEL (EPRP) MEETING IN BANGKOK. MOST MEMBERS OF UNCLASSIFIED

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PAGE 02 LONDON 08419 01 OF 02 261838Z

THE COD, INCLUDING PRODUCERS, NOTED THE ANNEX TO THE AGENDA OF THE COD MEETING (REFAIR LONDON A-138) PROVIDES AN ADEQUATE OUTLINE FOR THE CONSUMPTION STUDY. AFTER PROLONGED RESISTANCE OF THE BOLIVIAN ATTEMPT TO ADD MORE CRITERIA TO THE STUDY THE BOLIVIAN WAS INVITED TO SUBMIT HIS IDEAS IN BANGKOK, BUT WITHOUT ANY PRE-COMMITTMENT ON THE PART OF OTHER COD MEMBERS TO ACCEPT THE

BOLIVIAN PROPOSALS.

3. RECYCLING AND SECONDARY RECOVERY. THE INTERNATIONAL TIN RESEARCH INSTITUTE AND THE UK DELEGATE GAVE INTERESTING SUMMARIES OF THE PROBLEMS INVOLVED IN SECONDARY RECOVERY FROM TIN PLATED CANS IN DOMESTIC REFUSE.

4. REPORT ON AUSTRALIAN VISIT OF DEPUTY BUFFER STOCK MANAGER (DBSM). IN SUMMARIZING HIS VISIT TO AUSTRALIA, THE DM POINTED TO THE EXCELLENT POSSIBILITIES IN THE LARGE RENNISON MINE AND ADJACENT LEASES. HE TERMED THE PROSPECTS AS "GOOD TO EXCELLENT" FOR THE FUTURE OF AUSTRALIAN PRODUCTION. HE ALSO NOTED THE CLEVELAND MINE NOW HAS ENOUGH PROSPECTIVE TIN TO CONTINUE FOR 50 MORE YEARS. THE TASMANIAN SMELTER PROJECT HAS BEEN SHELVED, BUT A SMELTER PROJECT FOR WESTERN AUSTRALIA IS GOING FORWARD.

5. ITC COORDINATION OF TECHNICAL WORK. THE CHAIR (ALLEN OF ITC STAFF) SUGGESTED THE ITC BECOME A CENTER FOR RESEARCH WORK AND COORDINATION ON TIN. THE UK AND ITRI REPRESENTATIVES POINTED OUT THAT THIS WORK IS DONE ON A COMMERCIAL LEVEL. INDONESIA SUGGESTED THAT DEVELOPED MEMBERS OF THE INTERNATIONAL TIN AGREEMENT (ITA) MIGHT GIVE VOLUNTARY AID FOR RESEARCH. IN SPITE OF SECRETARIAT SUPPORT THE IDEA WAS ONLY NOTED SINCE SUPPORT FROM OTHER

UNCLASSIFIED

PAGE 03 LONDON 08419 01 OF 02 261838Z

DELEGATIONS WAS GENERALLY LACKING.

6. COSTS AND BENEFITS OF NEW PROJECTS. THE UK DEL COLLINS MADE THE MOST SUBSTANTIVE CONTRIBUTION ON THIS LENGTHY ITEM. HE OPENED BY STATING THERE IS A COST FACTOR DIFFERENCE OF 40 OR 50 TIMES BETWEEN UNDERGROUND MINES AND ALLUVIAL DEPOSITS. HE NOTED THAT OPERATING COSTS IN BOLIVIA (\$25 PER TON OF ORE TREATED) ARE BELOW THOSE OF AUSTRALIA (\$31 PER TON OF ORE TREATED), IN SPITE OF THE FACT BOLIVIAN OPERATIONS ARE SMALLER IN SCALE. HE NOTED THAT A BOLIVIAN OPERATION OF THE MAGNITUDE OF AUSTRALIA'S MINES (2000 TONS PER DAY) WOULD REDUCE BOLIVIAN COSTS TO \$15 PER TON. DIFFERENCES AMONG ALLUVIAL OPERATIONS ARE LESS MARKED. MALAYSIAN ON SHORE DREDGES ARE THE CHEAPEST, WHILE THE DIFFERENCES BETWEEN THAI AND INDONESIAN OFFSHORE DREDGES ARE MARGINAL. THE UK DELEGATE SUGGESTED WORK BE DONE FROM THE DATA AVAILABLE STARTING WITH PRICE AND SOLVING FOR GRADE TO PRODUCE THE BREAK EVEN POINT FOR AN INDIVIDUAL OPERATION. ONLY THE U.S. SUPPORTED THE IDEA, WHICH WAS OPPOSED BY AUSTRALIA AND INDONESIA. THE CHAIR CLEARLY FAVORED THE PRODUCER POSITION, SO NOTHING IS LIKELY TO BE DONE.

7. LACK OF EXPERTS FOR COST AND PRICES REVIEW. NO

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PAGE 01 LONDON 08419 02 OF 02 261849Z
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UNCLAS SECTION 02 OF 02 LONDON 08419

DELEGATION BROUGHT THE REQUIRED EXPERTS FOR A CAREFUL REVIEW OF THE MODEL STUDIES OF COSTS AND PRICES. AFTER-NOON CHAIRMAN AGIDI OF NIGERIA STRONGLY OBJECTED TO THE ABSENCE OF EXPERTS, POINTING OUT THAT HE NOW APPEARS TO HAVE FAILED TO FULFIL HIS MISSION AS CHAIRMAN OF THE COD AND WOULD REPORT BACK TO THE EPRP THAT WHILE NIGERIA WAS PREPARED TO COMMENT FULLY AND COMPLETELY, OTHERS, MOST NOTABLY IMPORTERS, WERE NOT. AFTER AN INTERMINABLE DEBATE ON THE ISSUE, THE CHAIR URGED ALL EPRP MEMBERS TO HAVE AT LEAST ONE EXPERT ON COSTS AND PRICES ON THEIR DELEGATIONS IN BANGKOK, WHICH WAS THE ONLY THING WHICH COULD BE AGREED.

8. THE U.K. DELEGATE PUT FORWARD THE FOLLOWING COSTS FOR VARIOUS OPERATIONS:

COUNTRY, METHOD	OPERATING COST PER TON TREATED OR PER CUBIC
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PAGE 02 LONDON 08419 02 OF 02 261849Z

METER TREATED (\$US)

AUSTRALIA, UNDERGROUND - 1.30	32.1 PER TON
PER CENT	
AUSTRALIA, UNDERGROUND - 0.85	30.7 PER TON
PER CENT	
BOLIVIA, UNDERGROUND	25.1 PER TON
INDONESIA, OFFSHORE DREDGE	0.66 PER CUBIC METRE
MALAYSIA, GRAVEL PUMP	0.59 PER CUBIC METRE
MALAYSIA, ONSHORE DREDGE	0.42 PER CUBIC METRE
THAILAND, GRAVEL PUMP	0.77 PER CUBIC METRE
THAILAND, OFFSHORE DREDGE	0.59 PER CUBIC METRE

9. UK MINE CLOSURES. THE INDONESIAN DEL REQUESTED A UK REPORT ON THE CLOSURE OF THE WHEAL JANE MINE. THE UK DEL NOTED THE WHEAL JANE AND MT. WELLINGTON MINES ARE OFFICIALLY CLOSED, BUT THERE ARE MOVES AFOOT BY OTHER OPERATORS IN CORNWALL TO TAKE THEM OVER AND OPERATE WHEAL JANE. HE ALSO NOTED THERE IS ANOTHER MINE IN THE UK WHICH IS EXPECTED TO COME ON STREAM IN THE NOT TOO DISTANT FUTURE USING ALLUVIAL TECHNIQUES AND TURNING OUT 1500 TONS OF ORE PER DAY.

10. GSA DISPOSALS. THE US DEL GAVE A DETAILED ACCOUNT OF THE LATEST DEVELOPMENTS ON GSA DISPOSALS AND ITC CONTRIBUTION LEGISLATION IN THE U.S. CONGRESS. SOME EXCELLENT QUESTIONS ON THE U.S. POLITICAL PROCESS WERE ASKED AS WELL AS TIN RELATED QUESTIONS, ALL OF WHICH WERE ANSWERED. BOLIVIA NOTED ITS POSITION ON DISPOSALS WAS WELL KNOWN BUT REPEATED PART OF IT ANYWAY. U.S. DEL DREW ON REFTTEL A AND TELCONS. NO COMMENTS WERE OFFERED ON TIMING ALTHOUGH THIS WAS AN OBVIOUS POINT OF INTEREST TO PARTICIPANTS.

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PAGE 03 LONDON 08419 02 OF 02 261849Z

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TIN, COMMITTEE MEETINGS, DEVELOPMENT PROGRAMS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 26 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978LONDON08419
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780223-0636
Format: TEL
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780515/aaaaamba.tel
Line Count: 215
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 20e1b695-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 STATE 130039, 78 LONDON A-138
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2552610
Secure: OPEN
Status: NATIVE
Subject: TIN -- COMMITTEE ON DEVELOPMENT, MAY 24, L978
TAGS: EMIN, ETRD, ITC
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/20e1b695-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014